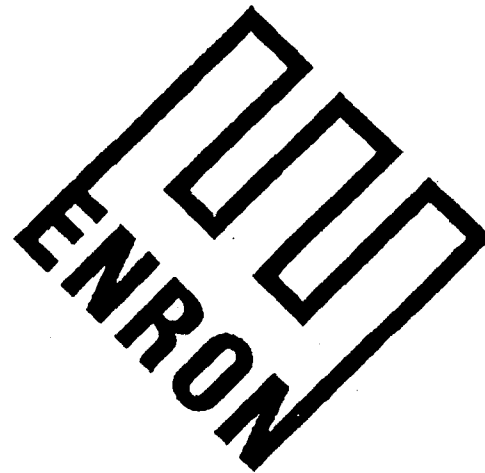


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Confidential

**Enron Corp.
3rd Quarter 2001 Financial Review**



September 7, 2001

EX 516
EC 001943895

**GOVERNMENT
EXHIBIT
2306**

Crim. No. H-04-25 (S-2)

EC 001943896

Earnings



ENRON
EARNINGS RELEASE - EXTERNAL FORMAT
(Millions of Dollars, except as noted)

**Current Forecast and
Hard Look**

	Third Quarter 2001						3Q 2000
	Plan	Latest Forecast	Hard Look through 8/30	Over / (Under) Forecast	Transactions Identified	Overage / (Additional Required)	Actual
Transmission & Distribution							
Enron Transportation Services	\$ 81.7	\$ 81.7	\$ 83.0	\$ 1.3	\$ -	\$ 1.3	\$ 83.0
Portland General	-	(2.6)	(2.6)	-	-	-	73.9
Total Transmission & Distribution	81.7	79.1	80.4	1.3	-	1.3	156.9
Wholesale Energy Operations & Services							
Americas	185.8	185.8	51.6	(134.2)	136.2	2.0	349.9
Europe	80.2	93.9	(160.2)	(254.1)	254.1	-	51.5
CATS/Margaux	-	(13.7)	(13.7)	-	-	-	-
Global Markets	65.3	65.3	(102.9)	(168.2)	170.0	1.8	(11.8)
Industrial Markets	22.7	22.7	(14.7)	(37.4)	37.4	-	-
Net Works	56.4	(8.1)	(13.0)	(4.9)	-	(4.9)	7.0
EEOS	13.5	13.5	3.5	(10.0)	-	(10.0)	6.8
Enron Principal Investments	-	(71.8)	(105.4)	(33.6)	-	(33.6)	-
Other Wholesale	0.5	(16.5)	(17.9)	(1.4)	-	(1.4)	-
Subtotal	424.4	271.1	(372.7)	(643.8)	597.7	(46.1)	403.8
Global Finance	40.9	56.5	(22.3)	(78.8)	35.0	(43.8)	2.9
Global E&P	0.4	15.2	10.4	(4.8)	-	(4.8)	9.3
Prepays	(44.7)	(55.8)	(55.8)	-	-	-	(26.7)
Other	85.5	(31.5)	(31.5)	-	-	-	205.0
Total Wholesale Energy Ops. & Services	506.5	265.5	(471.8)	(727.4)	632.7	(94.7)	594.1
Global Assets	60.4	(7.8)	(7.8)	-	55.0	55.0	38.6
Enron Energy Services	87.8	81.0	(99.7)	(180.7)	180.7	-	27.0
Enron Broadband Services	(36.4)	(91.0)	(107.8)	(16.8)	-	(16.8)	(20.0)
Corporate and Other							
Azurix	(20.7)	(21.0)	(21.0)	-	-	-	(24.3)
Enron Renewable Energy Corp	0.2	5.9	9.8	3.9	-	3.9	3.3
Clean Fuels	(4.6)	(15.4)	(1.5)	13.9	-	13.9	(6.1)
Enron Investment Partners	(0.1)	1.6	1.6	-	-	-	-
Corporate & Other Expenses	(86.5)	(115.9)	(115.9)	-	-	-	(100.1)
Structured Transactions	4.5	4.0	4.0	-	-	-	-
Total Corporate & Other	(167.2)	(140.8)	(123.0)	17.8	-	17.8	(127.2)
Overview	26.0	646.0	-	(646.0)	-	(646.0)	-
INCOME BEFORE INT., M.I. & INC. TAXES	666.9	801.0	(728.8)	(1,530.8)	648.4	(682.4)	666.4
Interest Expense, Net	88.4	201.1	201.1	-	-	-	247.0
Dividends on Preferred Stock of Subsidiaries	17.8	20.4	20.4	-	-	-	19.7
Minority Interest	17.5	33.2	33.2	-	-	-	35.5
PRE-TAX INCOME	478.2	646.3	(844.8)	(1,530.8)	648.4	(682.4)	364.2
Income Tax Expense	114.0	131.1	(236.3)	(367.4)	203.6	(163.8)	72.5
NET INCOME - RECURRING	\$ 361.2	\$ 415.2	\$ (748.2)	\$ (1,163.4)	\$ 644.8	\$ (518.6)	\$ 291.7
Non-recurring loss	-	(643.8)	(643.8)	-	-	-	-
TOTAL NET INCOME	\$ 361.2	\$ (228.7)	\$ (1,392.1)	\$ (1,163.4)	\$ 644.8	\$ (518.6)	\$ 291.7
DILUTED EPS							
Recurring	\$ 0.41	\$ 0.45	\$ (0.82)	\$ (1.27)	\$ 0.70	\$ (0.57)	\$ 0.34
Non-recurring	-	(0.71)	(0.71)	-	-	-	-
TOTAL DILUTED EPS	\$ 0.41	\$ (0.26)	\$ (1.53)	\$ (1.27)	\$ 0.70	\$ (0.57)	\$ 0.34
Avg shares outstanding - Diluted	885.0	913.5	913.5	913.5	913.5	913.5	869.6
Effective Tax Rate - Recurring Earnings	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	19.9%

EC 001943897



ENRON
EARNINGS RELEASE - EXTERNAL FORMAT
(Millions of Dollars, except as noted)

Hard Look Changes
8/24 to 8/30

Third Quarter 2001				
	Hard Look through 8/24	Hard Look through 8/30	Change	Comments
Transmission & Distribution				
Enron Transportation Services	\$ 83.0	\$ 83.0	\$ -	
Portland General	(2.6)	(2.6)	-	
Total Transmission & Distribution	80.4	80.4	-	
Wholesale Energy Operations & Services				
Americas	(76.3)	61.6	127.9	Gas Trading \$22.5MM, Power Trading, \$99.5MM, Orig \$18MM, Tariff Risk Mgmt (\$2.0MM)
Europe	(167.0)	(160.2)	6.8	UK Power Trading \$2.4MM, UK Cont'l Power Trading \$2.4MM, Gas Trading \$1.6MM, Assets (\$1.5MM), Metals (\$1.4MM), Eastern (\$1.3MM), Expense Reduction \$5.2MM
CATS/Margaux	(13.7)	(13.7)	-	
Global Markets	(99.3)	(102.9)	(3.6)	Crude & Products (\$5.1MM), Financial Trading \$1.7MM
Industrial Markets	(20.9)	(14.7)	6.2	Steel Trading
Net Works	(13.0)	(13.0)	-	
EEOS	13.5	3.5	(10.0)	
Enron Principal Investments	(85.8)	(105.4)	(19.6)	AMPS (\$10.0MM), Hanover (\$10.0MM)
Other Wholesale	(19.7)	(17.9)	1.8	Project George
Subtotal	(482.2)	(372.7)	109.5	
Global Finance	(22.3)	(22.3)	-	
Global E&P	10.4	10.4	-	
Prepays	(55.8)	(55.8)	-	
Other	(31.5)	(31.5)	-	
Total Wholesale Energy Ops. & Services	(581.4)	(471.9)	109.5	
Global Assets	(7.8)	(7.8)	-	
Enron Energy Services	(99.7)	(99.7)	-	
Enron Broadband Services	(107.8)	(107.8)	-	
Corporate and Other				
Azurix	(21.0)	(21.0)	-	
Enron Renewable Energy Corp	5.9	9.8	3.9	
Clean Fuels	(1.5)	(1.5)	-	
Enron Investment Partners	-	-	-	
Corporate & Other Expenses	(110.3)	(110.3)	-	
Structured Transactions	-	-	-	
Reclass from/to Wholesale	-	-	-	
Total Corporate & Other	(126.9)	(123.0)	3.9	
Overview	-	-	-	
INCOME BEFORE INT., M.I. & INC. TAXES	(843.2)	(729.8)	113.4	
Interest Expense, Net	201.1	201.1	-	
Dividends on Preferred Stock of Subsidiaries	20.4	20.4	-	
Minority Interest	33.2	33.2	-	
PRE-TAX INCOME	(1,087.9)	(984.5)	113.4	
Income Tax Expense	(263.5)	(236.3)	27.2	
NET INCOME - RECURRING	\$ (834.4)	\$ (748.2)	\$ 86.2	
Non-recurring loss	(681.8)	(643.9)	37.7	TNPC \$3.40 to \$4.00-\$25MM, EBS Reduced Credit Losses-\$33MM
TOTAL NET INCOME	\$ (1,516.0)	\$ (1,392.1)	\$ 123.9	
DILUTED EPS				
Recurring	\$ (0.91)	\$ (0.82)	\$ 0.09	
Non-recurring	(0.75)	(0.71)	0.04	
TOTAL DILUTED EPS	\$ (1.66)	\$ (1.53)	\$ 0.13	
Avg shares outstanding - Diluted	913.5	913.5	913.5	
Effective Tax Rate - Recurring Earnings	24.0%	24.0%	24.0%	

EC 001943898



ENRON
EARNINGS RELEASE - EXTERNAL FORMAT
(Millions of Dollars, except as noted)

Forecast Changes
8/24 to 8/30

Third Quarter 2001

	<u>Forecast 8/24</u>	<u>Forecast 8/30</u>	<u>Change</u>	<u>Comments</u>
Transmission & Distribution				
Enron Transportation Services	\$ 81.7	\$ 81.7	\$ -	
Portland General	(2.6)	(2.6)	-	
Total Transmission & Distribution	<u>79.1</u>	<u>79.1</u>	<u>-</u>	
Wholesale Energy Operations & Services				
Americas	183.2	185.8	2.6	
Europe	93.9	93.9	-	
CATS/Margaux	(13.7)	(13.7)	-	
Global Markets	65.3	65.3	-	
Industrial Markets	22.7	22.7	-	
Net Works	(8.1)	(8.1)	-	
EEOS	13.5	13.5	-	
Enron Principal Investments	(71.8)	(71.8)	-	
Retail Risk Management	-	-	-	
Other Wholesale	(16.5)	(16.5)	-	
Subtotal	<u>268.5</u>	<u>271.1</u>	<u>2.6</u>	
Global Finance	56.5	56.5	-	
Global E&P	15.2	15.2	-	
Prepays	(55.8)	(55.8)	-	
Other	(31.5)	(31.5)	-	
Total Wholesale Energy Ops. & Services	<u>252.9</u>	<u>255.5</u>	<u>2.6</u>	
Global Assets	<u>(7.8)</u>	<u>(7.8)</u>	<u>-</u>	
Enron Energy Services	<u>81.0</u>	<u>81.0</u>	<u>-</u>	
Enron Broadband Services	<u>(91.0)</u>	<u>(91.0)</u>	<u>-</u>	
Corporate and Other				
Azurix	(21.0)	(21.0)	-	
Enron Renewable Energy Corp	5.9	5.9	-	
Clean Fuels	(15.4)	(15.4)	-	
Corporate & Other Expenses	(110.3)	(110.3)	-	
Total Corporate & Other	<u>(140.8)</u>	<u>(140.8)</u>	<u>-</u>	
Overview	<u>645.0</u>	<u>645.0</u>	<u>-</u>	
INCOME BEFORE INT., M.I. & INC. TAXES	<u>798.4</u>	<u>801.0</u>	<u>2.6</u>	
Interest Expense, Net	201.1	201.1	-	
Dividends on Preferred Stock of Subsidiaries	20.4	20.4	-	
Minority Interest	33.2	33.2	-	
PRE-TAX INCOME	<u>543.7</u>	<u>546.3</u>	<u>2.6</u>	
Income Tax Expense	130.5	131.1	0.6	
NET INCOME - RECURRING	<u>\$ 413.2</u>	<u>\$ 415.2</u>	<u>\$ 2.0</u>	
DILUTED EPS				
Recurring	\$ 0.45	\$ 0.45	\$ -	
Non-recurring	(0.75)	(0.71)	0.04	New Power Co. Increase to \$4.00, Reduced EBS Credit Losses
TOTAL DILUTED EPS	<u>\$ (0.30)</u>	<u>\$ (0.26)</u>	<u>\$ 0.04</u>	
Avg shares outstanding - Diluted	913.5	913.5	913.5	
Effective Tax Rate - Recurring Earnings	24.0%	24.0%	24.0%	

EC 001943899

ENRON
3rd Quarter 2001
Effect of Non-Recurring Items
(Millions of Dollars)

Non-Recurring

	<u>Pre-tax Amount</u>	<u>After-tax Amount</u>	<u>EPS</u>
Recurring Earnings	\$ 546.3	\$ 415.2	\$ 0.45
REQUIRED NON-RECURRING ITEMS:			
Azurix 3rd Q asset sales (N. America & Brazil)	(137.0)	(137.0)	(0.15)
EBS			
Severance	(50.0)	(32.5)	(0.04)
Inventory	(54.0)	(35.1)	(0.04)
New Power Co. @ \$4.00/share*	(305.0)	(198.3)	(0.22)
Total Required Non-Recurring Items	(546.0)	(402.9)	(0.45)
Subtotal - Total Earnings	0.3	12.3	-
OPTIONAL ITEMS:			
EBS			
Write-down content	(160.0)	(104.0)	(0.11)
Credit Losses	(117.0)	(76.1)	(0.08)
Azurix - 4th Q asset sales (all but Wessex & BA)	(61.0)	(61.0)	(0.07)
Total Optional Non-Recurring Items	(338.0)	(241.1)	(0.26)
Total All Potential Non-Recurring Earnings	(884.0)	(643.9)	(0.71)
Total Earnings After All Non-Recurring Items	\$ (337.7)	\$ (228.7)	\$ (0.26)

* Assuming not covered with recurring earnings

EC 001943900

Transportation & Distribution **3rd Quarter 2001**

\$ in millions

ETS

	2nd Current Estimate	Hard Look Through 8/30				Over / (Under) 2CE	2000 Act
		NNG	TW	Other Ops	Total		
Revenues	\$ 131.7	\$ 75.7	\$ 49.9	\$ 6.1	\$ 131.7	\$ -	\$ 129.8
Cost of Sales	-	-	-	-	-	-	10.2
Gross Margin	131.7	75.7	49.9	6.1	131.7	-	119.6
Operating Expenses	76.9	65.6	10.9	0.4	76.9	-	79.3
Operating Income	54.8	10.1	39.0	5.7	54.8	-	40.3
Equity Earnings							
Trailblazer, Overthrust	0.9	-	-	0.9	0.9	-	1.0
Citrus	9.6	-	-	9.6	9.6	-	19.4
Northern Border	2.8	-	-	2.8	2.8	-	2.2
EOTT	4.3	-	-	4.3	4.3	-	5.0
Gains on Sales	-	-	-	-	-	-	-
Other Income	9.3	0.1	-	10.5	10.6	1.3	15.1
IBIT	<u>\$ 81.7</u>	<u>\$ 10.2</u>	<u>\$ 39.0</u>	<u>\$ 33.8</u>	<u>\$ 83.0</u>	<u>\$ 1.3</u>	<u>\$ 83.0</u>

Note: Hard look is defined here as the most accurate estimate of earnings and expenses for the entire quarter, considering all probable increases and decreases

EC 001943901

Transportation & Distribution

3rd Quarter 2001

\$ In millions

Portland General

	3rd Quarter			
	2nd CE	Hard Look through 8/30	Over / (Under) 2CE	2000
Revenues	813.6	813.6	-	728.6
Cost of Sales	788.8	788.8	-	522.5
Gross Margin	24.8	24.8	-	206.1
Operating Expenses	(30.7)	(30.7)	-	(144.7)
Other Income	3.3	3.3	-	12.5
IBIT	<u>\$ (2.6)</u>	<u>\$ (2.6)</u>	<u>\$ -</u>	<u>\$ 73.9</u>

Note: Hard look is defined here as the most accurate estimate of earnings and expenses for the entire quarter, considering all probable increases and decreases

EC 001943902

Wholesale Services

3rd Quarter 2001

\$ In millions

Americas

	3rd Quarter				
	2nd CE	Hard Look through 8/30	Over / (Under) 2CE	Transactions Identified	Overage / (Additional Required Earnings)
					2000 Act
IBIT	\$ 185.8	\$ 51.6	\$ (134.2)	\$ 136.2	\$ 2.0
					\$ 346.9

Detail of 3rd Qtr Items

Trading			
Gas	\$ (27.8)	\$ -	
Power	180.6	-	
Other	73.5	-	
Total Trading	226.3	-	
Originations	21.9	136.2 (A)	
Assets & Investments	(0.2)	-	
Expenses	(196.4)	-	
IBIT	\$ 51.6	\$ 136.2	

(A) See detail on following page

Note: Hard look is defined here as quarter-to-date earnings/losses combined with the estimated expenses for the full quarter

EC 001943903

Wholesale Services

3rd Quarter 2001

\$ in millions

Americas - Detail of Originations

<u>Deal</u>	<u>Amount</u>
Vitro	\$ 14.0
Central Maine Power	5.0
Miracle / Cornhusker	6.4
EES VPP	5.0
PSCo.	4.7
Project Moore (Finance)	2.0
Project Periscope (Gas)	2.0
Pastoria Reserve	2.0
CNR (Exec/Finance)	2.0
Las Vegas	1.7
Other	91.4
Total	<u>\$ 136.2</u>

EC 001943904

Wholesale Services

3rd Quarter 2001

\$ in millions

Europe

	3rd Quarter				
	2nd CE	Hard Look through 8/30	Over / (Under) 2CE	Transactions Identified	Overage / (Additional Required Earnings)
IBIT	\$ 80.2	\$ (173.9)	\$ (254.1)	\$ 254.1	\$ -
					2000 Act
					\$ 51.5

Detail of 3rd Qtr Items

Trading			
Gas	\$ (9.4)	\$ -	
Power	(16.6)	-	
Metals	9.4	-	
Other	16.4	-	
Total Trading	(0.2)	-	
Originations	-	254.1 (A)	
Assets & Investments	(7.2)	-	
Expenses	(166.5)	-	
IBIT	\$ (173.9)	\$ 254.1	

(A) See detail on following page

Note: Hard look is defined here as quarter-to-date earnings/losses combined with the estimated expenses for the full quarter

EC 001943905

Wholesale Services

3rd Quarter 2001

\$ in millions

Europe - Detail of Originations

<u>Deal</u>	<u>Amount</u>
J Block	\$ 8.0
TPL Gas Package	5.0
BOC Power Connection	7.0
HEW / Veag	10.0
Kemper	5.0
Anker Coal 1	2.0
PTAH	10.0
Other	207.1
Total	<u>\$ 254.1</u>

EC 001943906

Wholesale Services

3rd Quarter 2001

\$ in millions

Global Markets

	3rd Quarter					
	<u>2nd CE</u>	<u>Hard Look through 8/30</u>	<u>Over / (Under) 2CE</u>	<u>Transactions Identified</u>	<u>Overage / (Additional Required Earnings)</u>	<u>2000 Act</u>
IBIT	<u>\$ 65.3</u>	<u>\$ (102.9)</u>	<u>\$ (168.2)</u>	<u>\$ 170.0</u>	<u>\$ 1.8</u>	<u>\$ (11.6)</u>

Detail of 3rd Qtr Items

Trading		
Crude & Products	\$ (48.9)	\$ -
Coal	2.5	-
Weather	2.5	-
Financial	3.0	-
Other	0.7	-
Total Trading	(40.2)	-
Originations	-	170.0 (A)
Assets & Investments	2.0	-
Expenses	(64.7)	-
IBIT	\$ (102.9)	\$ 170.0

(A) See detail on following page

Note: Hard look is defined here as quarter-to-date earnings/losses combined with the estimated expenses for the full quarter

EC 001943907

Wholesale Services

3rd Quarter 2001

\$ in millions

Global Markets - Detail of Originations

<u>Deal</u>	<u>Amount</u>
GAF / Farmland	\$ 50.0
Pier IX	35.0
EcoElectrica	35.0
Equistar / Lyondell	10.0
Westlake - polypropylene	6.0
Westlake - HDP to ethane spread	6.0
Formosa	5.0
Anker	5.0
Other	18.0
Total	<u>\$ 170.0</u>

EC 001943908

Wholesale Services 3rd Quarter 2001

\$ in millions

Industrial Markets

	3rd Quarter				
	2nd CE	Hard Look through 8/30	Over / (Under) 2CE	Transactions Identified	Overage / (Additional Required Earnings)
					2000 Act
IBIT	\$ 22.7	\$ (14.7)	\$ (37.4)	\$ 37.4	\$ -

Detail of 3rd Qtr Items

Trading		
Pulp & Paper	\$ (0.1)	\$ -
Lumber	(1.2)	-
Steel	7.8	-
Europe	0.1	-
Total Trading	6.6	-
Originations	-	37.4 (A)
Assets & Investments		
Garden State Paper	(1.4)	-
Stadacona	3.2	-
Other	0.6	-
Total Assets & Investments	2.4	-
Expenses	(23.7)	-
IBIT	\$ (14.7)	\$ 37.4

(A) See detail on following page

Note: Hard look is defined here as quarter-to-date earnings/losses combined with the estimated expenses for the full quarter

EC 001943909

Wholesale Services

3rd Quarter 2001

\$ in millions

Industrial Markets - Detail of Originations

<u>Deal</u>	<u>Amount</u>
S&M	\$ 4.5
Mondadori	0.4
Greif Brothers	0.5
Cosipa/Voest	1.0
Cosipa Slabs	3.0
Steel Dynamics	2.0
Atlas	7.0
Pope & Talbot	3.0
National Steel	0.3
Defurco-UK	2.0
Other	13.7
Total	<u>\$ 37.4</u>

EC 001943910

Wholesale Services

3rd Quarter 2001

\$ In millions

Principal Investments

	3rd Quarter					
	<u>2nd CE</u>	<u>Hard Look through 8/30</u>	<u>Over / (Under) 2CE</u>	<u>Transactions Identified</u>	<u>Overage / (Additional Required Earnings)</u>	<u>2000 Act</u>
IBIT	<u>\$ (71.8)</u>	<u>\$ (105.4)</u>	<u>\$ (33.6)</u>	<u>\$ -</u>	<u>\$ (33.6)</u>	<u>\$ -</u>

Detail of 3rd Qtr Items

Assets & Investments					
Public Portfolio		(59.8) (A)		-	
Private Valuation		(32.3) (A)		-	
Asset / Accrual Margin		(7.5) (A)		-	
Total Assets & Investments		(99.6)		-	
Expenses					
IBIT		(5.8)		-	
		\$ (105.4)		\$ -	

(A) See detail on following page

Note: Hard look is defined here as the most accurate estimate of earnings and expenses for the entire quarter, considering all probable increases and decreases

EC 001943911

Wholesale Services

3rd Quarter 2001

\$ in millions

Principal Investments - Detail

Public Portfolio

Hanover Compressor Common	\$	(35.0)
Copel	\$	(19.0)
Paladin		(6.4)
Other		0.6
Total	\$	<u>(59.8)</u>

Private Valuation

AMPS		(10.0)
Visual Bridge (leC)		(9.5)
Solo Energy		(5.7)
Financial Settlements Matrix		(3.5)
Aristasoft		(3.0)
Mshow		(2.9)
IAM.COM		(1.0)
Hornbeck-Leevac Merlin Loan	\$	3.3
Venoco		1.1
Other		(1.1)
Total	\$	<u>(32.3)</u>

Asset/Accrual Margin

Facility Costs		(7.5)
Total	\$	<u>(7.5)</u>

EC 001943912

Wholesale Services

3rd Quarter 2001

\$ In millions

Global Finance

	3rd Quarter				
	2nd CE	Hard Look through 8/30	Over / (Under) 2CE	Transactions Identified	Overage / (Additional Required Earnings)
					2000 Act
IBIT	\$ 56.5	\$ (22.3)	\$ (78.8)	\$ 35.0	\$ (43.8)
					\$ 2.9

Detail of 3rd Qtr Items

JEDI Management Fees	\$ 5.0	\$ -
Condor	(2.8)	-
Stock Book	(20.0)	-
Raptor	-	35.0 (A)
Other	(0.5)	-
Total Assets & Investments	(18.3)	35.0
Expenses	(4.0)	-
IBIT	\$ (22.3)	\$ 35.0

(A) Currently unable to recognize this income due to market conditions of New Power Company stock. Looking for possible structured solutions to cover this shortfall.

Note: Hard look is defined here as the most accurate estimate of earnings and expenses for the entire quarter, considering all probable increases and decreases

EC 001943913

Broadband Services 3rd Quarter 2001

\$ in millions

EBS

	3rd Quarter				
	2nd CE	Hard Look through 8/30	Over / (Under) 2CE	Transactions Identified	Overage / (Additional Required Earnings)
					2000 Act
IBIT	<u>\$ (91.0)</u>	<u>\$ (107.8)</u>	<u>\$ (16.8)</u>	<u>\$ -</u>	<u>\$ (16.8)</u>
					<u>\$ (20.0)</u>

Detail of 3rd Qtr Items

Trading		
Bandwidth	\$ (8.8)	\$ -
Dram Chips	0.1	-
Advertising	-	-
Other	3.6	-
Total Trading	<u>(5.1)</u>	<u>-</u>
Expenses	<u>(102.7)</u>	<u>-</u>
IBIT	<u>\$ (107.8)</u>	<u>\$ -</u>

Note: Hard look is defined here as quarter-to-date earnings/losses combined with the estimated expenses for the full quarter

EC 001943914

**Corporate Staff Functions
Corporate Staff Costs Retained
Third Quarter 2001**

(In thousands of dollars)

	<u>Plan</u>	<u>Change</u>	<u>2nd CE</u>		<u>July Actuals</u>	<u>Aug & Sept Estimate</u>	<u>Total Estimate</u>
Executive	4,283	1,000	5,283	(1)	1,554	3,729	5,283
Legal	2,445	-	2,445		152	2,293	2,445
Risk Assessment & Control	348	300	648	(2)	330	318	648
Accounting & Tax	7,577	-	7,577		3,195	4,382	7,577
SAP ISC	2,316	-	2,316		40	2,276	2,316
Strategic Sourcing	1,711	-	1,711		381	1,330	1,711
Investor Relations	759	-	759		172	587	759
Corporate Development	871	1,500	2,371		674	1,697	2,371
Human Resources	411	1,000	1,411		(814)	2,225	1,411
Community Relations	1,808	-	1,808		582	1,226	1,808
Benefits	9,778	7,600	17,378	(3)	3,999	13,379	17,378
Analyst & Associates	-	3,000	3,000	(4)	1,055	1,945	3,000
Public Affairs	11,329	3,000	14,329	(2)	5,230	9,099	14,329
Administrative Services	559	4,000	4,559	(2)	3,869	690	4,559
Risk Management	608	-	608		(490)	1,098	608
Xcelerator	-	2,000	2,000		609	1,391	2,000
Amortizations	28,908	-	28,908		6,629	22,279	28,908
EBS transfers	-	5,000	5,000		1,035	3,965	5,000
Other	10,242	3,500	13,742	(5)	2,830	10,912	13,742
Costs Retained at Corporate	<u>83,953</u>	<u>31,900</u>	<u>115,853</u>		<u>31,032</u>	<u>84,821</u>	<u>115,853</u>

1) Increase due to increased corporate aviation usage.

2) Increased in 3rd quarter due to timing of items. Estimate for the total year is on plan.

3) Increase due to timing of benefits recognized in 2nd quarter.

4) Increase in amount retained at Corporate due to fewer participants resulting in lower billings to business units.

5) Increase is due to Azurix costs and Madosa expense, offset by MMF billing to PGG.

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EC 001943916

Cash Flow

Enron Corp
2001 Cash Flow Estimate

	<u>June YTD Actuals</u>	<u>3rd Quarter Estimate</u>	<u>4th Quarter Estimate</u>	<u>Full Year</u>
Funds Flow from Operations	1,804.4	147.2	948.4	2,900.0
Changes in Working Capital	<u>(3,142.3)</u>	<u>476.7</u>	<u>693.2</u>	<u>(1,972.4)</u>
Cash Flow from Operations	(1,337.9)	623.9	1,641.7	927.6
Proceeds from Sale of Assets	1,423.2	293.8	296.8	2,013.7
Capital Exp & Equity Investments	<u>(2,583.4)</u>	<u>(496.1)</u>	<u>(650.0)</u>	<u>(3,729.4)</u>
	(1,160.2)	(202.3)	(353.2)	(1,715.7)
Cash Flow	(2,498.1)	421.5	1,288.5	(788.1)
Cash Flow from Financing				
Increase/(Dec) in Debt	2,251.2	(775.7)	(1,149.7)	325.8
Dividends Paid	(256.4)	(143.1)	(138.8)	(538.2)
Other Financing	<u>(24.3)</u>	<u>-</u>	<u>1.5</u>	<u>(22.8)</u>
	1,970.6	(918.8)	(1,287.0)	(235.2)
Increase/(Decrease) in Cash Balances	<u>(527.5)</u>	<u>(497.2)</u>	<u>1.5</u>	<u>(1,023.3)</u>
Opening Debt Balance	10,229.5	12,812.1	12,034.3	10,229.5
Increase from Cash Flow	2,251.2	(775.7)	(1,149.7)	325.8
Other Changes	<u>331.4</u>	<u>(2.1)</u>	<u>-</u>	<u>329.3</u>
Ending Debt Balance	12,812.1	12,034.3	10,884.6	10,884.6

EC 001943917

Enron Corp
Funds Flow from Operations
2001 Third Quarter

	June YTD Actuals	3rd Quarter 2001 Estimate			Sept YTD Estimate
		Current View *	Identified Transactions	Total	
Transportation & Distribution					
Enron Transportation Services	162.7	73.4	-	73.4	236.1
Portland General Group	113.8	25.1	-	25.1	138.9
	<u>276.5</u>	<u>98.6</u>	<u>-</u>	<u>98.6</u>	<u>375.0</u>
Wholesale	832.2	(379.9)	500.0 **	120.1	952.4
Enron Energy Services	49.2	70.5	-	70.5	119.6
Enron Global Assets & Services	33.9	(2.1)	-	(2.1)	31.8
Enron Renewable Energy	7.1	12.4	-	12.4	19.5
Clean Fuels	48.3	0.7	-	0.7	49.0
Corporate & Other	606.4	(153.0)	-	(153.0)	404.2
Total	<u>1,804.4</u>	<u>(352.8)</u>	<u>500.0</u>	<u>147.2</u>	<u>1,951.6</u>

* Based on view of funds flow without any prepaids, overviews or any other major transaction, and allocation of May's Credit-Link-Note

** Scheduled prepay

EC 001943918

Enron Corp
Changes in Working Capital
2001 Third Quarter

	June YTD Actuals	3rd Quarter 2001 Estimate			Sept YTD Estimate
		Current View *	Identified Transactions	Total	
Transportation & Distribution					
Enron Transportation Services	(38.8)	49.5	-	49.5	10.7
Portland General Group	(240.6)	33.5	-	33.5	(207.0)
	(279.4)	83.0	-	83.0	(196.4)
Wholesale	(2,245.6)	(997.3)	1,325.0 **	327.7	(1,918.0)
Enron Energy Services	(156.1)	(1.8)	-	(1.8)	(157.9)
Enron Global Assets & Services	(76.7)	(50.8)	-	(50.8)	(127.5)
Enron Renewable Energy	(118.0)	96.9	-	96.9	(21.2)
	(19.5)	27.2	-	27.2	7.7
Corporate & Other	(403.1)	(5.5)	-	(5.5)	(252.4)
Total	(3,142.3)	(848.3)	1,325.0	476.7	(2,665.6)

* Based on current view of working capital without any major transactions included

** \$500 A/R sale and \$480 LC posted in place of cash margin currently on deposit

EC 001943919

Enron Corp
Cash Flow From Operating Activities
2001 Third Quarter

	June YTD Actuals	3rd Quarter 2001			Sept YTD Estimate
		Current View	Identified Transactions	Total	
Transportation & Distribution					
Enron Transportation Services	123.9	122.9	-	122.9	246.8
Portland General Group	(126.8)	58.6	-	58.6	(68.1)
	(2.9)	181.6	-	181.6	178.7
Wholesale	(1,413.4)	(1,377.2)	1,825.0	447.8	(965.6)
Enron Global Assets & Services	(107.0)	68.7	-	68.7	(38.3)
Enron Energy Services	(42.8)	(52.9)	-	(52.9)	(95.7)
Enron Renewable Energy	(110.9)	109.3	-	109.3	(1.6)
Clean Fuels	28.8	27.9	-	27.9	56.7
Corporate & Other	203.3	(158.5)	-	(158.5)	44.9
Total	(1,337.9)	(1,201.1)	1,825.0	623.9	(714.0)

EC 001943920

Enron Corp
Cash Flow from Investing Activities
2001 Third Quarter YTD vs Full Year Plan

	<u>June YTD Actuals</u>	<u>3rd Qtr Estimate</u>	<u>Sept YTD Estimate</u>	<u>Full Year 2001 Plan</u>
Transportation & Distribution				
Enron Transportation Services	(79.9)	(56.6)	(136.5)	(150.1)
Portland General Group	<u>(98.0)</u>	<u>(48.7)</u>	<u>(146.8)</u>	<u>-</u> ⁽¹⁾
	(177.9)	(105.3)	(283.2)	(150.1)
Wholesale				
Enron America	(1,167.6) ⁽²⁾	39.8	(1,127.8)	(395.9)
Europe	(20.5)	(26.6)	(47.1)	(161.9)
CATS & Margaux	(126.1)	(12.1)	(138.1)	-
Middle East	(2.0)	-	(2.0)	-
Enron Global Markets	(74.9)	(6.2)	(81.1)	(77.2)
Enron Industrial Markets	(229.0)	(3.8)	(232.8)	(446.0)
Enron Networks	(62.2)	(34.6)	(96.8)	(131.5)
EEOS	(4.4)	(1.5)	(5.9)	(5.5)
Enron Broadband Services	(100.0)	(39.0)	(139.0)	(750.4)
Enron Global Finance	(1.2)	0.2	(1.0)	-
Enron Global Exploration & Product	<u>(4.9)</u>	<u>(0.6)</u>	<u>(5.5)</u>	<u>(1.6)</u>
	(1,792.8)	(84.4)	(1,877.2)	(1,970.0)
Enron Global Assets & Services	(104.7)	(136.3)	(241.1)	(328.7)
Enron Energy Services	(35.1)	(16.7)	(51.7)	(123.7)
Enron Renewable Energy	(26.2)	(78.8)	(105.0)	(23.9) ⁽¹⁾
Clean Fuels	(4.9)	(0.2)	(5.1)	(17.8)
Corporate & Other	(441.8) ⁽³⁾	(74.5)	(516.2)	(1,202.0) ⁽⁴⁾
Total	<u>(2,583.4)</u>	<u>(496.1)</u>	<u>(3,079.5)</u>	<u>(3,816.2)</u>

(1) Plan anticipated sale in first half of 2001

(2) June YTD includes \$347 related to Sithe intangibles and \$487 for Sithe restructuring

(3) June YTD includes \$326 for Azurix privatization and \$78 for Enron Building South

(4) Plan assumed repurchase of Rawhide for \$740

EC 001943921

Enron Corp
Proceeds on the Sale of Assets
2001 Third Quarter YTD vs Full Year Plan

	<u>June YTD Actuals</u>	<u>3rd Qtr Estimate</u>	<u>Sept YTD Estimate</u>	<u>Full Year 2001 Plan</u>
Transportation & Distribution				
Enron Transportation Services	3.4	150.0 ⁽¹⁾	153.4	7.5
Portland General Group	-	-	-	1,600.0 ⁽²⁾
	<u>3.4</u>	<u>150.0</u>	<u>153.4</u>	<u>1,607.5</u>
Wholesale				
Enron America	1,217.2 ⁽³⁾	38.1	1,255.4	818.0 ⁽⁴⁾
Enron Global Markets	10.2	(10.2)	-	-
Enron Principal Investing	-	104.9	104.9	-
Enron Broadband Services	15.9	0.1	16.1	67.2
Enron Global Exploration & Production	2.0	0.0	2.0	600.0 ⁽⁵⁾
	<u>1,245.4</u>	<u>133.0</u>	<u>1,378.4</u>	<u>1,485.2</u>
Enron Global Assets & Services	85.8	10.8	96.6	3,068.4 ⁽⁶⁾
Enron Energy Services	50.0	(0.0)	50.0	83.0
Enron Renewable Energy	-	-	-	700.0 ⁽⁷⁾
Clean Fuels	-	-	-	-
Corporate & Other	38.6	-	38.6	-
Total	<u>1,423.2</u>	<u>293.8</u>	<u>1,716.9</u>	<u>6,944.1</u>

(1) EOTT FAS140

(2) Planned sale of PGE 1st Qtr 2001

(3) Sale of Peakers \$846, HPL \$326 and Pastoria \$45

(4) Includes planned sale of Peakers for \$600

(5) Planned sale of EGEP India Assets

(6) Includes planned sale of Elektro \$2,000, Gas LDCs \$470, Hainan \$152 and Copel \$135.

(7) Planned Sale

EC 001943922

Includes ONLY Banking Activity Monitored in Houston

Net Cash Source / (Use)
Quarter to Date and Month to Date
3rd Quarter 2001

	Total Q3 to Date	September Through 9/5	August	July
Enron Transportation Services	97.6	(2.0)	28.3	71.3
Portland General Electric	-	-	-	-
Total Distribution	97.6	(2.0)	28.3	71.3
Enron North America	(78.5)	133.9	(76.7)	(135.7)
Enron South America	-	-	-	-
Total Americas	(78.5)	133.9	(76.7)	(135.7)
Europe	(77.2)	(17.9)	(123.0)	63.7
Global Markets	(32.8)	(34.4)	40.0	(38.4)
Industrial Markets	(6.3)	1.2	2.9	(10.4)
Networks	(67.3)	(2.3)	(33.7)	(31.3)
Other	(1.3)	-	(1.1)	(0.2)
Total Traditional Wholesale	(263.4)	80.5	(191.6)	(152.3)
Enron Broadband Services	(49.1)	(1.9)	(32.8)	(14.4)
EGEP	(3.9)	0.4	(4.7)	0.4
Other Wholesale (EE&CC)	160.7	1.6	72.2	86.9
Total Wholesale	(155.7)	-	(156.9)	(79.4)
Enron Energy Services	(139.5)	11.8	(59.3)	(92.0)
Enron Global Assets	150.9	0.3	87.3	63.3
Corp*	(128.9)	(79.6)	(802.7)	753.4
Other	-	-	-	-
Total Enron	(175.6)	11.1	(903.3)	716.6

ONLY includes cash movement monitored from Houston.

Does NOT include Canada, London or any other banking center.

Certain items such as payroll that is paid by Corp on behalf of a business unit has NOT been allocated to the business units.

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Capital Deployed

Enron Corp
Total Capital Deployed
2001 June Year-to-Date

	<u>As of June 30, 2001</u>		<u>As of Dec 31, 2000</u>
	<u>June 2001 Capital Deployed</u>	<u>Off Balance Sheet Assets**</u>	<u>Total Cap Deployed Incl. Off B/S</u>
Transportation & Distribution			
Enron Transportation Services	2,663.8	-	2,663.8
Portland General Group	3,443.3	-	3,443.3
	<u>6,107.1</u>	<u>-</u>	<u>6,107.1</u>
Wholesale			
Americas	5,566.5	19.0	5,585.5
Enron Global Markets	651.6	-	651.6
Enron Europe	1,280.6	361.0	1,641.6
Middle East (Europe)	22.8	-	22.8
Global Exploration & Production	432.1	-	432.1
Enron Global Finance	2,228.5	-	2,228.5
Enron Industrial Markets	443.7	-	443.7
EEOS	8.1	-	8.1
Enron Broadband Services	963.0	92.0	1,055.0
Enron Net Works	202.9	-	202.9
Wholesale - Other	-	-	-
Wholesale - EES	932.4	-	932.4
Eliminations & Other	1.7	-	1.7
	<u>12,733.8</u>	<u>472.0</u>	<u>13,205.8</u>
Enron Energy Services	747.2	102.0	849.2
Enron Global Assets	6,893.9	153.0	7,050.0
Enron Renewable Energy Corp	653.2	-	653.2
Corporate & Other*	2,133.6	1,450.0	3,583.6
Total	<u>29,268.9</u>	<u>2,177.0</u>	<u>31,448.9</u>
			<u>28,218.0</u>

* Corporate & Other includes Azurix, HPL Fair Value and Clean Fuels.

** Off balance sheet capital includes contingent equity, FAS 125/140, corporate guarantees, and residual value guarantees as of 12/31/00.

(1) Impact of margin activity.

(2) Includes N/R from sale of JEDI shares previously owned by Enron.

(3) Included in EES-Retail.

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